

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

of

September 19, 2001

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The meeting was called to order by Acting Chairman Michal Moore at 10 a.m.

Pledge of Allegiance was given by Commissioner Pernell.

William J. Keese	Present
Michal Moore	Present
Robert Laurie	Present
Robert Pernell	Absent (Present via telephone for item 8 only)
Arthur Rosenfeld	Present
James D. Boyd, Ex-Officio	Present

Note: Prior to addressing the Agenda for the September 19, 2001 Business Meeting, the Commissioners addressed the following items that originally appeared on the Agenda for the September 12, 2001 Business Meeting, which was postponed due to the tragic events of September 11, 2001.

2. MODESTO IRRIGATION DISTRICT, WOODLAND II PROJECT (Docket No. 01-SPPE-1). Consideration and possible adoption of the Presiding Member's Proposed Decision in the 80-megawatt natural gas-fired Modesto Irrigation District Application for a Small Power Plant Exemption. The plant is located in Modesto on the existing plant site.

Commissioner Moore moved and Commissioner Rosenfeld seconded the approval of the adoption of the Initial Study and Negative Declaration. The motion passed by a unanimous vote. (4-0)

Commissioner Moore moved and Commissioner Rosenfeld seconded the approval of the Presiding Member's recommendation that the Modesto Irrigation District, Woodland II Project be granted a Small Power Plant Exemption. The motion passed by a unanimous vote. (4-0)

9. GWF ENERGY, LLC HENRIETTA PEAKER PROJECT. Commission consideration of the Executive Director's Data Adequacy Recommendation for the GWF Energy, LLC Henrietta Peaker Project Application for Certification. A four-month, 91.4-megawatt power plant located in Kings County (Docket No. 01-AFC-18).

Commissioner Moore moved and Commissioner Laurie seconded the approval of the Executive Director's recommendation that the GWF Energy, LLC Henrietta Peaker Project Application for Certification be found data inadequate. The motion passed by a unanimous vote. (4-0)

10. GWF ENERGY, LLC HENRIETTA PEAKER PROJECT. Possible approval of a Committee for the GWF Energy, LLC Henrietta Peaker Project Application for Certification. A four-month, 91.4-megawatt power plant located in Kings County (Docket No. 01-AFC-18).

This item was moved to a future Business Meeting to be determined.

1. CONSENT CALENDAR. (Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda.)
 - a. SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. Possible approval of Contract 500-99-001 Amendment 1, to adjust the end date to March 31, 2003 to accommodate delays in the project start dates.
 - b. COOPERATIVE PERSONNEL SERVICES. Possible approval of Contract 200-00-007 Amendment 2, to extend the term of the contract to June 30, 2002. Conflicting priorities, unrelated to the contractor, delayed critical feedback to the contractor causing the missed deadlines of the preliminary and final reports.

Commissioner Moore moved and Commissioner Rosenfeld seconded the approval of the Consent Calendar. The motion passed by a unanimous vote. (4-0)

2. SUNRISE POWER PROJECT (98-AFC-4C). Possible approval of a Petition to amend the certification of this project to expand the existing simple-cycle power plant to a combined-cycle power plant.

This item was moved to the October 3, 2001 Business Meeting.

3. LOS ESTEROS CRITICAL ENERGY FACILITY. Commission consideration of the Executive Director's Data Adequacy Recommendation for the Los Esteros Critical Energy Facility Application for Certification. This is a 4-month, 180-megawatt power plant located in San Jose (Docket No. 01-AFC-12).

Commissioner Moore moved and Commissioner Rosenfeld seconded deferring this item until the September 25, 2001 Business Meeting. The vote was unanimous. (4-0)

4. LOS ESTEROS CRITICAL ENERGY FACILITY. Possible approval of a Committee for the Los Esteros Critical Energy Facility Application for Certification (Docket No. 01-AFC-12).

This item was deferred to the September 25, 2001 Business Meeting.

5. SPARTAN I ENERGY CENTER, SAN JOSE. Commission consideration of the Executive Director's Data Adequacy Recommendation for the Spartan I Energy Center, San Jose Application for Certification. This is a 6-month, 96-megawatt power plant located in the city of San Jose (Docket No. 01-AFC-13).

Commissioner Moore moved and Commissioner Rosenfeld seconded the approval of the Executive Director's recommendation to find the Spartan I Energy Center, San Jose Application for Certification data inadequate. This item will be taken up at a future Business Meeting to be determined. The motion passed by a unanimous vote. (4-0)

6. SPARTAN I ENERGY CENTER, SAN JOSE. Possible approval of a Committee for the Spartan I Energy Center, San Jose Application for Certification (Docket No. 01-AFC-13).

This item was moved to a future Business Meeting to be determined.

7. RESIDENTIAL BUILDING ENERGY EFFICIENCY STANDARDS. Commission consideration and possible approval of the public domain computer program CALRES2 Version 1.4 effective September 19, 2001 for use in complying with the 2001 (AB 970) Residential Building Efficiency Standards. Also effective September 19, 2001, decertification and rescission of approval of CALRES2 Version 1.35 for use in complying with the Residential Building Efficiency Standards.

Commissioner Rosenfeld moved and Commissioner Laurie seconded the approval of the public domain computer program CALRES2 Version 1.4 and the decertification of CALRES2 Version 1.35. The motion passed by a unanimous vote. (4-0)

8. POWER PLANT SITE CERTIFICATION REGULATIONS. The Siting Committee is proposing this item to request that the Commission provide guidance on what modifications the Siting Committee should pursue through a formal rulemaking with the State Office of Administrative Law.

Note: Commissioner Pernell joined the Business Meeting via telephone for the discussion of this item only. This item was addressed after item 16. The Commissioners decided to put this item over to the September 24, 2001 Special Business Meeting.

9. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Contract 500-01-002 for \$65,000 to test new duct sealant products and continue the development of the ASTM standard for duct sealant longevity testing.

Commissioner Rosenfeld moved and Commissioner Moore seconded the approval of Contract 500-01-002. The motion passed by a unanimous vote. (4-0)

10. STATE CONTROLLER'S OFFICE. Possible approval of Interagency Agreement 200-98-012 Amendment 1, for \$300,000 to provide a 3-year time extension and monetary support to the PIER Audit Program to the year 2004.

Commissioner Rosenfeld moved and Commissioner Laurie seconded the approval of Interagency Agreement 200-98-012. The motion passed by a unanimous vote. (4-0)

11. UC REGENTS-CENTER FOR THE BUILT ENVIRONMENT. Possible approval of Interagency Agreement 500-01-001 for \$52,500 for a PIER Buildings Area Center.

Commissioner Rosenfeld moved and Commissioner Laurie seconded the approval of Interagency Agreement 500-01-001. The motion passed by a unanimous vote. (4-0)

12. CITY OF SAN DIEGO. Possible approval of Contract 700-99-017 Amendment 1, to extend the PLACE3S Mid-City Technical Development-Phase Two contract by six months to allow the project to complete the required testing and better coordinate the related on-going work.

Commissioner Moore moved and Commissioner Laurie seconded the approval of Contract 700-99-017 Amendment 1. The motion passed by a unanimous vote. (4-0)

13. ADVANCED TECHNOLOGY AND EFFICIENT GASOLINE FUEL VEHICLE INCENTIVE PROGRAM. Contact: Irene Salazar, (916) 657-4046. (15 minutes)

- a. TOYOTA MOTOR SALES, U.S.A. A204. Possible approval of Contract 500-01-003 for up to \$2,000,000 to provide incentives for efficient gasoline and alternative fuel vehicles and information to private individuals, fleets and dealers. Toyota will provide in-kind outreach and education campaign to dealers and consumers to introduce the program.
- b. FORD MOTOR COMPANY. Possible approval of Contract 500-01-004 for up to \$2,000,000 to provide incentives for efficient gasoline and alternative fuel vehicles and information to private individuals, fleets and dealers. Ford will provide in-kind outreach and education campaign to dealers and consumers to introduce the program.
- c. AMERICAN HONDA MOTOR CO., INC. Possible approval of Contract 500-01-005 for up to \$2,000,000 to provide incentives for efficient gasoline and alternative fuel vehicles and information to private individuals, fleets and dealers. Honda will provide in-kind outreach and education campaign to dealers and consumers to introduce the program.

Commissioner Moore moved and Commissioner Rosenfeld seconded the approval of Contracts 500-01-003, 500-01-004 and 500-01-005. The motion passed by a unanimous vote. (4-0)

14. Minutes

No minutes were presented.

15. Energy Commission Committee and Oversight

A discussion on Energy Commission Committee and Oversight matters may be held.

Commissioner Laurie stated that three to four years ago the Energy Commission spent a great deal of time examining the function of the Energy Commission and developed protocols to govern the following: the Energy Commission as a body, individual Commissioners, the Chairman, the Committee Members, the Presiding Members, the Second Members, the Executive Director and the Energy Commission Staff. There have been many changes at the Energy Commission since the agreement was reached, such as a new Executive Director and two new Commissioners, and the agreement has basically broken down over time. For this reason, the Energy Commission needs to re-examine its protocol with the goal of a clarifying the division of the Energy Commission. Chairman Keese and Commissioner Moore concurred that the protocols needed to be updated, and Commissioner Moore added that this re-examination should take place on a periodic basis rather than an extraordinary basis. The Chairman instructed Energy Commission Staff to find an appropriate time to add this topic to the agenda.

Chairman Keese addressed Section 25705 of Warren-Alquist Act, which deals with emergency certifications and a 60-day report regarding the process and recommendations as to whether that process should continue. Commissioner Laurie suggested that due to the volume of siting cases it would be more appropriate to issue such a report at the end of the summer. The Warren-Alquist Act issue led to a discussion about the duration of the state of emergency with regard to the energy situation in California.

16. Chief Counsel's Report

Chief Counsel Bill Chamberlain requested an Executive Session to discuss litigation matters. Mr. Chamberlain presented a memo to the Commissioners regarding the duration of the Governor's declaration of a state of emergency with regard to energy. Ms. J.A. Savage, a reporter for California Energy Markets, had requested a copy of the memo. He advised the Commissioners that the memo is subject to attorney-client privilege protection, but the Commission may make the memo public at its discretion. Barring instructions from the Commissioners to the contrary, Mr. Chamberlain stated, he would not release the memo.

17. Executive Director's Report

No report was given

18. Public Adviser's Report

No report was given.

19. Public Comment

No comments were received

The meeting was adjourned at 2:45 p.m.

BETTY McCANN
Secretary to the Commission